

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

501 J STREET, SUITE 400
SACRAMENTO, CA 95814
<http://www.dgs.ca.gov/opsc>



June 4, 1997

Mass Mailer #97-06

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On May 21, 1997, the State Allocation Board (SAB) apportioned approximately \$7.5 million for certain appeals requests and \$29.2 million to complete on-going projects and bid approvals for construction. The SAB also addressed other issues as follows:

Consent Calendar

The Construction Cost Index for Class B construction increased to 1.26, effective May 1, 1997. There was no change in the Class D construction index. The Furniture and Equipment index increased to 1.33 and the Historical Savings index decreased to 7.00, effective April 1, 1997.

The consent agenda included Phase P, S and C "zero" approvals for more than 500 projects with an "unfunded" value of approximately \$100 million.

Architect Contract Requirements

On May 25, 1994, the SAB took action to discontinue the requirement that applicant districts use a standard architect agreement form developed specifically by the SAB for use in the Lease-Purchase Program. At that time, the SAB further directed staff to develop a "model" architectural agreement that could be used by any district if it so chose. Final development of the "model" architectural agreement did not occur due to liability issues raised by the SAB's legal counsel.

In lieu of developing the "model" architectural agreement, the SAB approved the use of a standard certification form which outlines certain provisions that must be included in any architectural agreement between the school district and the architect. The certification also addresses certain requirements that must be met by the district regarding the architectural agreement and the contracting for inspection services. Beginning May 21, 1997, no planning funds will be released for Lease-Purchase projects until this certification is completed and submitted to the Office of Public School Construction (OPSC). If your district is awaiting release of planning funds, please complete and submit the attached ARCHITECT AGREEMENT CERTIFICATION Form SAB 533A. Should the district negotiate an architectural fee that is less than the SAB allowance, all cost estimates submitted with the plans and specifications must reflect the reduced fee.

Many districts continue to use the old architectural agreement form previously required by the SAB. They were identified as Forms SAB 533 (new construction) and SAB 733 (modernization). This is acceptable; however, the district must delete that portion of the form that indicates the district is "representing the State Allocation Board, State of California". Should you have questions regarding this requirement, please call George Shaw at (916) 322-0331 or via e-mail at gshaw@dgs.ca.gov.

Educational Technology

Pursuant to actions taken by the SAB between January and May of 1997, construction bid approvals for projects located in Riverside and San Bernardino Counties were approved, but funds allocated for the educational technology (ET) portion of the project were not released pending a determination of the ability for County ET programs to fund these costs.

Since these counties have reported to the SAB that they will not fund any services that would be considered a duplication, the SAB took action and directed staff to release the ET funds previously withheld. The OPSC is currently processing these fund releases and the affected districts should start receiving warrants sometime in June.

The SAB also approved the allocation of \$2.5 million from funds made available from Public Utilities Commission Funds under the Educational Technology Program for those districts located in Riverside and San Bernardino Counties. These fund releases are also underway and warrants will be sent to the districts sometime in June.

Implementation of AB 481

The SAB took action to discontinue the development of an implementation policy for Chapter 956, Statutes of 1995 (AB 481) based on an analysis of this law by State bond counsel, the firm of Orrick, Herrington & Sutcliffe.

Implementation Policy for Joint-Use Projects

The SAB approved a portion of the proposed policy regarding the allocation of \$25 million in funds previously set aside for Joint-Use projects. Two sections of the policy, the APPORTIONMENT AND RELEASE OF FUNDS and the FUNDING PRIORITIES were not approved. The SAB expressed its desire to have this Program administered in a similar fashion as the 60/40 Program. That Program established a specific date for acceptance of an application and allocated funds on a first come first serve basis. These sections were referred back to the OPSC and the SAB Implementation Committee for further review and will be presented to the SAB for consideration at its June 25, 1997, meeting. Any district that proposes to file an application for Joint-Use funding may do so by completing the self-certification application package and following the criteria outlined in this policy. The OPSC will accept and process a completed application for Joint-Use funding; however, the funding priority for the project is contingent on the "funding policy" that will be considered by the SAB at the June SAB meeting. To assure that all application requests are treated equally and comply with the SAB direction to establish a specific date to begin accepting applications, the OPSC will recognize June 25, 1997, as the initial date for acceptance of Joint-Use applications. Any completed applications received after that date will receive the date the application is submitted to the OPSC. Should you have any questions or want to request the application package, please call Richard Gonzalez at (916) 322-1234 or via e-mail at rgonzale@dgs.ca.gov.

Appeals

The SAB addressed new construction and modernization appeal requests and made apportionments of \$7.5 million. Appeals for modernization funding in the amount of \$24.9 million were provided with a "zero" approval with the understanding that these projects would be funded out of future close-out, match and interest funds as they become available in the future. Each district will be notified of the individual action taken by the SAB. The OPSC will be contacting

those districts that had appeals withdrawn or held over until the June 25, 1997, meeting to arrange rescheduling.

-3-

The OPSC has completed the processing of all new construction and modernization appeals that were submitted prior to September 26, 1996. The OPSC is currently processing the remaining appeals submitted after September 25, 1996, and anticipates most will be ready for consideration by the SAB at the June 25, 1997, meeting. The SAB is out of funds at this time and all future appeal requests with a favorable recommendation by the OPSC will be recommended for "zero" approval only.

Other Issues

The OPSC continues to process bids, release Proposition 203 funds and process new Phase "zero" approvals. In order to expedite the release of construction funds to the districts, it is imperative that the district submit the Construction Contract Certification, Form SAB 599, to the OPSC as timely as possible following contract signature and approval.

The OPSC will continue processing all Phase C requests in the date order received, regardless of type of project (i.e. new construction or modernization). Priority one projects will continue to be processed first. Districts were previously advised that the OPSC will not accept incomplete Phase C submittals and that any incomplete submittal request for a Phase C apportionment or "zero" approval may be returned to the district with an explanation of the rejection. The necessary documents required to be included with the Phase C submittal are outlined in the Lease-Purchase Applicant Handbook.

A new six page application package for the Lease-Purchase Program (both new construction and modernization) and a new two page application package for the State Relocatable Classroom Program (SRCP) have been developed by the OPSC and will be available for use this month. Once available, the new application packages may be obtained from the OPSC Publication Unit or accessed through the Internet. Application approval by the SAB for Lease-Purchase projects should occur within 60 days of submittal to the OPSC and within 30 days for SRCP projects.

On April 25, 1997, the OPSC sent a **Customer Satisfaction Survey** to all School Districts and County Superintendents of Schools to be completed and returned to the OPSC by May 16, 1997. Response to this survey will assist the OPSC in assessing the current level of customer satisfaction and identify problems or potential problem areas that need to be corrected. To date, the percentage of districts that have completed and returned this survey to the OPSC has been substantially less than expected. As most of you are aware, the OPSC has made substantial improvements in the overall performance of the office regarding application review/approval, appeals and bid approvals; however, to continue this quality service, it is critical that this survey information be provided to the OPSC. If your district has not responded to this survey, please complete and return the attached survey form to the OPSC no later than **June 15, 1997**. Most importantly, please mark the "overall rating" box as listed in question #10.

For your convenience, copies of the applicable agenda items regarding the issues discussed in this letter are enclosed. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TD:PS:ps
Attachments